

Proposed Accountants for the Chapter 7 Trustee

In re:)	Chapter 7
)	
Barratt American Incorporated, a Delaware)	Jointly Administered Case No. 08-13249-LA7
Corporation, and its jointly administered)	
entities,)	
)	EX PARTE APPLICATION FOR
)	AUTHORITY TO EMPLOY LECG, LLC AS
)	ACCOUNTANTS TO THE CHAPTER 7
Debtors.)	TRUSTEE; DECLARATIONS OF
)	RICHARD M KIPPERMAN AND
)	FERNANDA L. SCHMID; AND EXHIBITS
)	
)	Date: [None Set]
)	Time: [None Set]
)	Dept.: Two (2)
)	Judge: Honorable Louise DeCarl Adler

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1 TO THE HONORABLE LOUISE DECARL ADLER, UNITED STATES BANKRUPTCY JUDGE:

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3 Richard M Kipperman, Chapter 7 Trustee (the "Applicant"), of the consolidated bankruptcy
4 estates (the "Estates") of Barratt American Incorporated, a Delaware corporation, and its jointly
5 administered entities, Barratt USA Holdings, Inc., Barratt Investments Incorporated and BAMC
6 Mortgage Company, (collectively the "Debtors"), hereby seeks authority to employ LECG, LLC
7 ("LECG") as his accountants. In support thereof, Applicant represents that:

8 1. On December 24, 2008 (the "Petition Date"), the Debtors filed voluntary petitions for
9 relief under chapter 11 of the United States Bankruptcy code (the "Bankruptcy Code").

10 2. On January 13, 2009, an order was entered by this Court approving the joint
11 administration of the Debtors' cases.

12 3 On May 19, 2009, this court entered an order appointing Richard M Kipperman as
13 chapter 11 trustee (the "Trustee") of the Debtors' jointly administered estates.

14 4. On or about June 19, 2009, an application providing for the employment of LECG,
15 LLC ("LECG") by the chapter 11 Trustee was served on the Office of the United States Trustee.
16 After receipt of the United States Trustee's statement of position, the original of said application
17 was filed with this court. An order authorizing employment of LECG as accountants for the
18 chapter 11 Trustee was later entered by this court on July 7, 2009. LECG's employment by the
19 chapter 11 Trustee was effective as of May 22, 2009.

20 5. The Debtors' chapter 11 case was converted to a case under chapter 7 of the
21 bankruptcy code by order of this court entered on August 6, 2009. Upon conversion of the Debtors'
22 case to a case under chapter 7, Richard M Kipperman was appointed as the chapter 7 trustee.

23 6. Based on the complexities associated with administering the Debtors' jointly
24 administered chapter 7 cases, the Trustee has determined that he requires the continued assistance
25 of experienced forensic accountants/financial consultants to assist him and his counsel.
26 Accordingly, the Applicant wishes to employ LECG as his forensic accountants and consultants in
27 the chapter 7 cases effective August 6, 2009, at the expense of the Debtors' estates, to assist the
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1 Trustee with requisite and continuing forensic accounting and consulting services as further
2 detailed below and in administering the Debtors' bankruptcy estates.

3 7. Since LECG was previously providing services as accountants and consultants for
4 the chapter 11 Trustee, services to be provided by LECG to the chapter 7 Trustee will expand and
5 build upon those services previously provided by LECG. LECG's prior chapter 11 services will
6 provide a foundation for LECG's continuing chapter 7 services allowing for a streamlined transition
7 with no duplication of efforts or work.

8 8. LECG provides expert services, including economic and financial analysis, expert
9 testimony, litigation support, and strategic management consulting to a range of public and private
10 enterprises. It delivers independent expert testimony, original authoritative studies and strategic
11 advice to legislative, judicial, regulatory and business decision makers. LECG's other service
12 offerings include factual and statistical analyses, report preparation and presentation, and
13 electronic discovery and data collection. LECG employs more than 700 persons in the Americas,
14 Asia and Europe, and has been engaged by thousands of clients, including many Fortune 500
15 companies.

16 9. The Applicant has defined the following terms regarding LECG's continued
17 employment:

- 18 a. Stacy Elledge is the accountant and consultant at LECG who will be
19 primarily responsible for the services provided by LECG.
- 20 b. The Estates will be the source of funds for compensating LECG for services
21 and reimbursing LECG for expenses.
- 22 c. The Applicant will pay LECG, from funds of the Estates, for its fees and
23 expenses for services pursuant to the same terms by which the Applicant will
24 pay its other professionals in the case; that is after notice, application and a
25 hearing.

26 10. Because of LECG's experience in bankruptcy, accounting and information
27 technology matters, and due to the services it provided during the chapter 11 period, the Trustee
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believes that LECG is qualified to provide the following services, including, but not limited to the following, as appropriate and without limitation:

- a. Analysis and consulting services regarding the Debtors' pre- and postpetition finances and accounting;
- b. Assistance with the investigation, evaluation and recovery of avoidable prepetition transfers;
- c. Advice and services regarding the Debtors' prepetition and postpetition tax liabilities and assistance with preparation of the Debtors' annual federal and state tax returns, as required;
- d. Assistance with review of and objections to claims filed in the Debtors' cases, as necessary;
- e. Consulting and litigation services regarding administration of the Debtors' jointly administered chapter 7 bankruptcy cases;
- f. Assistance with efforts to identify, evaluate, investigate, back-up and obtain possession/control of the Estates' books, records and all other computer and/or electronically stored information, as necessary;
- g. Consulting services regarding information technology matters, including acquisition, retention, preservation and back-up of the Debtors' computer equipment containing vital information regarding the Debtors' financial affairs as necessary; and,
- h. Such other accounting, professional tax services and financial consulting services, including assistance with requisite monthly operating reports and final reports for the chapter 11 period and related accounting, as required by the Trustee pertaining to these jointly administered chapter 7 cases.

11. Applicant desires to employ LECG as an accountants and consultants under 11 U.S.C. § 327(a), which provides:

Except as otherwise provided in this section, the trustee, with the court's approval, may employ one or more attorneys, accountants, appraisers,

1 auctioneers, or other professional persons, that do not hold or represent an
2 interest adverse to the estate, and that are disinterested persons, to represent
3 or assist the trustee in carrying out the trustee's duties under this title.

4 12. Based on the attached declarations, Applicant believes LECG is disinterested within
5 the meaning of 11 U.S.C. § 101(14) on the matters on which it is to be employed.

6 13. LECG understands that its fees and costs are subject to court approval after notice
7 and a hearing.

8 14. For all of the foregoing reasons, Applicant believes it is in the best interest of the
9 Estates that the Court approves the continued employment of LECG as accountants and financial
10 consultants in the Debtors' chapter 7 cases on the terms and conditions set forth in this application.

11 15. WHEREFORE, Applicant requests that he be authorized to employ LECG as chapter
12 7 accountants and financial consultants to the Estates under 11 U.S.C. § 327(a), effective August 6,
13 2009.

14
15 DATED: September 2, 2009

Respectfully submitted,

RICHARD M KIPPERMAN, TRUSTEE

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19 Richard M Kipperman, Chapter 11 Trustee
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DECLARATION OF RICHARD M KIPPERMAN

I, Richard M Kipperman, declare:

1. I have personal knowledge of the facts stated in this declaration, and if called as a witness, I could and would testify competently to these facts under oath, except as to matters which are stated on information and belief, and as to these facts, I am informed and believe that they are true.

2. On December 24, 2008 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy code (the "Bankruptcy Code").

3. On January 13, 2009, an order was entered by this Court approving the joint administration of the Debtors' cases.

4. On May 19, 2009, this court appointed me as Chapter 11 Trustee (the "Trustee") of the Debtors' estates.

5. On or about June 19, 2009, an application providing for the employment of LECG, LLC ("LECG") by me as chapter 11 Trustee was served on the Office of the United States Trustee. After receipt of the United States Trustee's statement of position, the original of said application was filed with this court. An order authorizing employment of LECG as accountants for the chapter 11 Trustee was later entered by this court on July 7, 2009. LECG's employment as accountants to the chapter 11 Trustee was effective as of May 22, 2009.

6. The Debtors' chapter 11 case was converted to a case under chapter 7 of the bankruptcy code by order of this court entered on August 6, 2009. Upon conversion of the Debtors' case to a case under chapter 7, I was appointed as the chapter 7 trustee.

7. Because of LECG's experience in accounting matters, specifically, and in bankruptcy cases generally, I believe that LECG is well qualified to provide continuing services in the Debtors' chapter 7 cases including, but not limited to, the following:

- a. Analysis and consulting services regarding the Debtors' pre- and postpetition finances and accounting;

- b. Assistance with the investigation, evaluation and recovery of avoidable prepetition transfers;
- c. Advice and services regarding the Debtors' prepetition and postpetition tax liabilities and assistance with preparation of the Debtors' annual federal and state tax returns, as required;
- d. Assistance with review of and objections to claims filed in the Debtors' cases, as necessary;
- h. Consulting and litigation services regarding administration of the Debtors' jointly administered chapter 7 bankruptcy cases;
- i. Assistance with efforts to identify, evaluate, investigate, back-up and obtain possession/control of the Estates' books, records and all other computer and/or electronically stored information, as necessary;
- j. Consulting services regarding information technology matters, including acquisition, retention, preservation and back-up of the Debtors' computer equipment containing vital information regarding the Debtors' financial affairs as necessary; and,
- h. Such other accounting, professional tax services and financial consulting services, including assistance with requisite monthly operating reports and final reports for the chapter 11 period and related accounting, as required by the Trustee pertaining to these jointly administered chapter 7 cases.

8. LECG has been employed in numerous bankruptcy cases by debtors, creditors, and trustees to provide financial, accounting and tax related analysis and consulting services. Therefore, LECG has the necessary qualifications and experience to carry out various financial, accounting and consulting duties in this case. The billing rates charged to the Estates do not exceed the rates which would be charged for comparable work by other accounting firms in San Diego, California.

9. I am informed and believe that LECG has been provided a list of the Debtors' creditors and other parties-in-interest known to them. Based on the attached declaration of

1 Fernanda L. Schmid, Esq., I am informed and believe that LECG is disinterested within the
2 meaning of 11 U.S.C. § 101(14).

3 10. I am a panel trustee in the Southern District of California working on a number of
4 active asset cases assigned to me by the court. I currently employ a number of different
5 accountants in connection with these active asset cases, including LECG. My employment of LECG
6 in other unrelated cases does not give LECG an adverse interest to the estates and does not effect
7 LECG's "disinterestedness" as required by section 327 of the Bankruptcy Code.

8 I declare under penalty of perjury that the foregoing is true and correct and that this
9 declaration was executed on September 2, 2009, at San Diego, California.

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13 RICHARD M KIPPERMAN

DECLARATION OF FERNANDA L. SCHMID

I, FERNANDA L. SCHMID, declare:

1. I am Associate General Counsel of LECG, LLC ("LECG"). I have personal knowledge of the facts stated in this declaration, and if called as a witness, I could and would testify competently to these facts, except where matters are stated on information and belief, and as to these facts, I am informed and believe that they are true.

2. LECG is a California limited liability company whose parent company, LECG Corporation is a Delaware corporation and which is publicly traded (NASDAQ trading symbol: XPRT). LECG provides expert services, including economic and financial analyses, expert testimony, litigation support, and strategic management consulting to a range of public and private enterprises. It delivers independent expert testimony, original authoritative studies and strategic advice to legislative, judicial, regulatory and business decision makers. LECG's other service offerings include factual and statistical analyses, report preparation and presentation, and electronic discovery and data collection. LECG employs more than 700 persons in the Americas, Asia and Europe, and has been engaged by thousands of clients, including many Fortune 500 companies.

3. In connection with its retention by the Trustee in the Debtors' chapter 7 cases, LECG was provided a list of the Debtors' creditors and other persons identified as parties in interest in the Debtors' bankruptcy case. Under my supervision and at my direction, employees of LECG processed the Debtors' name, and the names of the creditors and other parties listed on Exhibit A hereto (the "Conflicts Search List") through LECG's computerized conflict check system and I have reviewed the results of that processing.

4. Based on the process referred to in paragraph 3 above, to the best of my knowledge, information and belief, I am informed and believe that:

- a. LECG had no previous contact or ties with the Debtor, with the exception of its employment by the chapter 11 Trustee in the Debtors' chapter 11 cases;

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- 1 b. Except as set forth on **Exhibit A**, LECG does not provide services to any party
2 on the Conflicts Search List;
- 3 c. LECG is not a creditor, an equity security holder, or an insider of the Debtor;
- 4 d. LECG is not and was not an investment banker for any outstanding security of
5 the Debtor;
- 6 e. LECG was not, within three years before the date of filing of the Debtors'
7 petition, an investment banker for a security of the Debtor, or an accountant or
8 consultant to such an investment banker in connection with the offer, sale or
9 issuance of any security of the Debtor;
- 10 f. LECG is not and was not, within two years before the date of the filing of the
11 petition, a director, officer, or employee of the Debtor or of an investment
12 banker of the Debtor;
- 13 g. LECG does not have an interest materially adverse to the interest of the Debtor
14 or of any class of creditors or equity security holders by reason of any direct or
15 indirect relationship with, connection with, or interest in, the Debtor or any
16 investment banker, or for any other reason;
- 17 h. Except with respect to certain other bankruptcy engagements where an LECG
18 consultant acts as a trustee of a debtor, or where LECG provides consulting
19 services to the trustee of a debtor, LECG has no connection with the United
20 States Trustee or persons employed in the Office of the United States Trustee;
21 and
- 22 i. LECG was not owed any sums by the Debtor for services rendered and costs
23 advanced on behalf of the Debtor prior to the petition date.

24 5. Because of the size of LECG's business, it is likely that LECG has provided, is
25 presently providing, and may in the future provide, consulting services to those parties listed on
26 the Conflicts Search List, or other creditors or parties-in-interest in the Debtors' bankruptcy case
27 unrelated to any matter involving this bankruptcy case. However, to the best of my knowledge,
28 none of those prior and current engagements or other dealings makes LECG an interested person

1 under the bankruptcy laws. If LECG subsequently identifies a creditor or other party-in-interest of
2 the Debtors' bankruptcy estates that LECG has or is providing consulting services to in connection
3 with this bankruptcy matter, such information will be promptly disclosed in writing to the Court
4 and to the Office of the United States Trustee.

5 6. LECG serves as accountants, financial advisors and consultants in other unrelated
6 bankruptcy cases in which the Trustee, is or may be involved. Such connections do not give LECG
7 an adverse interest to the Debtor and do not affect LECG's "disinterestedness" as required by
8 section 327 of the Bankruptcy Code.

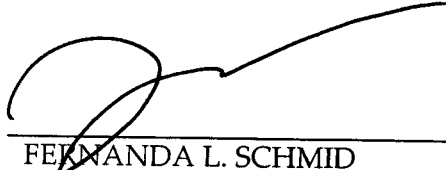
9 7. LECG is currently employed in unrelated cases, including bankruptcy cases, as
10 expert witnesses and/or consultants for which counsel associated with this case may be involved. I
11 believe that such connections do not give LECG an adverse interest to the Estates and do not affect
12 LECG's disinterestedness, as required by Bankruptcy Code section 327.

13 8. A statement of qualifications detailing the services of LECG's San Diego/Costa Mesa
14 insolvency and reorganization practice group is attached hereto as **Exhibit B**.

15 9. Resumes of the LECG professionals expected to have primary responsibility for this
16 case are attached as **Exhibit C**.

17 10. The hourly rates of LECG professionals likely to work on this case and a schedule of
18 out-of-pocket costs are set forth in detail on **Exhibit D** attached hereto.

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20 I declare under penalty of perjury that the foregoing is true and correct and that this
21 declaration was executed on September 9 2009, at Los Angeles, California.

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24 
25 FERNANDA L. SCHMID
26 Associate General Counsel
27 LECG, LLC
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CONFLICTS SEARCH LIST**In re: Barratt American Incorporated and related cases**

U.S.B.C. Case No. USBC Case No.: 08-13249-LA7 (Jointly Administered)

In connection with its retention by the chapter 7 trustee in these jointly administered cases (LECG's chapter 11 employment was effective May 22, 2009), LECG was provided a list of the Debtor's creditors and other persons identified as parties-in-interest in the Debtors' jointly administered bankruptcy cases. The names set forth below have been processed by LECG through its computerized conflict check system. LECG's conflicts checks are done by searching a computer database. If the database input contains a misspelling, a conflict could potentially be missed. Additionally, due to the magnitude of the aforementioned computer database, many common names (for example, those of common individual surnames, etc.) appear repetitively.

LECG does not provide services to any of the persons/entities identified below in connection with this bankruptcy case. LECG, however, has identified the names highlighted below as persons/entities to whom/which LECG currently provides services, other than services directly related to this bankruptcy case. In addition, Mr. Kipperman is a bankruptcy trustee in the Southern District of California. He currently employs LECG in other unrelated cases.

As part of the conflicts check process described above, LECG searches the names of attorneys and law firms that appear below, but only to determine whether LECG has been engaged by any of those individuals and entities on their own behalf. We have not searched our database to determine whether any of those individuals or entities have engaged LECG on behalf of a third party client, but, because LECG serves as consultants in many unrelated cases and engagements, it is likely that counsel associated with this case may be working with LECG in matters and engagements unrelated to this bankruptcy case.

<u>Name</u>	<u>Relationship⁽¹⁾</u>
BARRATT AMERICAN INCORPORATED, a Delaware corporation	LEAD DEBTOR
BARRATT INVESTMENTS INCORPORATED, a Delaware corporation	AFFILIATED ENTITY OF LEAD DEBTOR/JOINTLY ADMINISTERED DEBTOR
BARRATT USA HOLDINGS, INC. a Delaware corporation	AFFILIATED ENTITY OF LEAD DEBTOR/JOINTLY ADMINISTERED DEBTOR
BAMC MORTGAGE COMPANY, a Delaware corporation	AFFILIATED ENTITY OF LEAD DEBTOR/JOINTLY ADMINISTERED DEBTOR
MICHAEL PATTINSON	CODEBTOR OF LEAD DEBTOR/SHAREHOLDER
J. MICHAEL ARMSTRONG	CODEBTOR OF LEAD DEBTOR/SHAREHOLDER
STEVE REID	CODEBTOR OF LEAD DEBTOR/SHAREHOLDER
LOU OCHOA	VICE PRESIDENT/SHAREHOLDER
ROBERT LAING	SHAREHOLDER
DONNA ROWLEY	SHAREHOLDER
MARC J. WINTHROP, ESQ.	ATTORNEY FOR LEAD DEBTOR/JOINTLY ADMINISTERED DEBTORS
WINTHROP COUCHOT PROFESSIONAL CORP	LAW FIRM REPRESENTING LEAD DEBTOR/JOINTLY ADMINISTERED DEBTORS

CONFLICTS SEARCH LISTIn re: Barratt American Incorporated and related cases

U.S.B.C. Case No. USBC Case No.: 08-13249-LA7 (Jointly Administered)

Name	Relationship ⁽¹⁾
KIPPERMAN, RICHARD M	TRUSTEE
SIMS, GERALD M.	COUNSEL FOR THE TRUSTEE
CASHMAN-KRAMER, KATHLEEN A.	COUNSEL FOR THE TRUSTEE
DUNCAN, PETER L.	COUNSEL FOR THE TRUSTEE
PYLE SIMS DUNCAN & STEVENSON	LAW FIRM REPRESENTING THE TRUSTEE
BARRATT AMERICAN INCORPORATED	
KARA VAN DUZEE, VP OF GUARANTY BANK	SECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
MARGARET JACKSON, SR VP OF BANK OF AMERICA	SECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
NOREEN L. LEVATINO	SECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
MARC PERLMAN, MARKER LA COSTA	SECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
RON Y. AND JANE S. GU	SECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
ADAME LANDSCAPE, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
ALARCON SONS, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
CANAC KITCHEN U.S. LIMITED	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
CAPTITAL DRYWALL LP	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
CRD CONCRETE, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
D & S CONSTRUCTION COMPANY	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
DEMARIA LANDTECH INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
EPLASTERING, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
HAKES SASH & DOOR INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
HARRIS FENCE COMPANY, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
HILLCREST CONTRACTING, INC. (ENGN)	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
KNR FRAMING SYS dba SELECTBUILD	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
INTERIOR SPECIALISTS, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED

CONFLICTS SEARCH LIST

In re: Barratt American Incorporated and related cases
U.S.B.C. Case No. USBC Case No.: 08-13249-LA7 (Jointly Administered)

Name	Relationship ⁽¹⁾
LEONARD ROOFING	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
MILGARD MANUFACTURING	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
OAK LEAF LANDSCAPE, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
PACIFIC PRODUCTION PLUMBING	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
PETERSON BROTHERS CONSTRUCTION	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
PRO-MAR DESIGNS, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
RCR COMPANIES, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
RICK ENGINEERING	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
SELECTBUILD CONSTRUCTION INC	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
SOUTH COAST STAIRS, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
TILE TRENDS	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
W.S.S. CONSTRUCTION, INC.	UNSECURED CREDITOR FOR BARRATT AMERICAN INCORPORATED
BARRATT INVESTMENTS INCORPORATED	
FANITA L.P.	UNSECURED CREDITOR FOR BARRATT INVESTMENTS INCORPORATED
BARRATT USA HOLDINGS, INC.	
N/A	N/A
BAMC MORTGAGE COMPANY	
FIRST AMERICAN CREDCO	UNSECURED CREDITOR FOR BAMC MORTGAGE COMPANY
INTERNET MEDIA WORKS	UNSECURED CREDITOR FOR BAMC MORTGAGE COMPANY
PRICEWATERHOUSECOMPANY	UNSECURED CREDITOR FOR BAMC MORTGAGE COMPANY

⁽¹⁾ No List of Creditors Holding 20 Largest Unsecured Claims filed. Unsecured creditors listed above derived based on review of available information.

A handwritten mark, possibly a signature or initials, consisting of a large, stylized letter 'B' with a vertical line through the center, all enclosed within a large, loopy oval shape.

LECG

BANKRUPTCY & RESTRUCTURING PRACTICE STATEMENT OF QUALIFICATIONS

FIRM OVERVIEW

LECG is a global expert services firm with more than 700 experts and professional staff in over 30 offices worldwide. Our highly credentialed experts and professional staff conduct economic and financial analyses to provide objective opinions and advice that assist in resolution of complex disputes. Our experts have consulted with and provided information to a host of legislative, judicial, regulatory, and business decision makers. LECG experts are renowned academics, former senior government officials, experienced industry leaders, and seasoned consultants. Our clients include Fortune Global 500 corporations, major law firms, and local, state, and federal governments and agencies around the world

BANKRUPTCY SERVICES OVERVIEW

LECG bankruptcy experts have unparalleled credentials in matters of bankruptcy and insolvency. Few consulting firms have met the bankruptcy challenges of LECG bankruptcy experts in their work of more than 15,000 cases including some of the largest and most complex cases in the country.

LECG bankruptcy experts have years of experience in well-defined areas of specialization in almost every capacity of bankruptcy and insolvency accounting. Every expert receives extensive training to keep current with the ever-changing bankruptcy environment. This gives LECG experts unique expertise and judgment in handling the complex issues that arise in these types of engagements.

LECG bankruptcy experts have been appointed as trustees, receivers, and examiners in numerous chapter 11 and chapter 7 cases in a wide range of industries. We have also served as financial consultants to trustees, receivers, examiners, debtors, creditor committees, and secured creditors to provide essential and timely financial analyses required to make decisions in complicated bankruptcy cases. This unparalleled background enables our experts to identify and analyze issues, provide cost-efficient solutions, and yield the greatest benefit to the client.

LECG bankruptcy professionals are highly skilled forensic accountants and investigators and are frequently retained to assist with liquidations and asset recovery plans. We work with trustees, receivers, plan fiduciaries and others to maximize the return to creditors when businesses cease operations. LECG bankruptcy experts also include chapter 7 trustees. The Director who leads our Corporate Recovery & Insolvency practice in the Costa Mesa and San Diego offices is a chapter 7 trustee in the Central District of California.

LECG

Our liquidation services include forensic accounting, records recovery and retention (including computer forensics), asset identification and recovery, investigations, tax consulting, and evaluation of creditor claims. We routinely are retained by trustees and receivers on short notice to assist them, upon appointment, in their efforts to initiate control over a business enterprise and to identify and secure assets.

LECG prides itself on providing proactive services to our fiduciary clients. Our deep forensic skills and resources enable us to offer our clients substantial assistance in support of their efforts to timely identify and preserve assets. Because, from time to time, LECG experts act as fiduciaries ourselves, we approach these services with the know-how of a fiduciary and understand first-hand the objectives and challenges of our fiduciary clients.

LECG experts also have been inducted as fellows in the American College of Bankruptcy—an honor bestowed on only a chosen handful of CPA practitioners in the United States. Additionally, some experts have served on the national board of directors of the Association of Insolvency and Restructuring Advisors.

The following list includes frequently handled issues by our bankruptcy experts:

- Asset identification and recovery
- Asset liquidations
- Business operations and planning
- Business valuation and liquidation analyses
- Cash flow modeling and forecasting
- Claims analyses and objections
- Complex data management
- Financial reporting and advisory services
- Intellectual property identification, valuation and disposition
- M&A transaction support; distressed business sales
- Plan feasibility analyses
- Preference and fraudulent conveyance analysis
- Records reconstruction and forensic accounting services
- Reorganization plan development and implementation
- Statement and schedules preparation
- Substantive consolidation
- Tax analysis and compliance
- Valuation analyses

Corporate Restructuring

Successful reorganization or workout of a troubled company is dependent on getting behind the numbers to understand complex transactions and business issues.

LECG

Management and creditors most often prefer to deal with a troubled business without resorting to filing a chapter 11 bankruptcy petition. Our experts assist management with the development and execution of successful turnaround strategies and reorganization plans using their expertise in insolvency, valuation, forensic and investigative accounting, tax and litigation consulting. These plans benefit creditors and shareholders by preserving going-concern and asset values.

We provide critical insight to help protect and enhance the interests of creditors, management, and shareholders of troubled companies by:

- Forecasting cash flow
- Analyzing profitability
- Evaluating assets
- Investigating specific transactions
- Monitoring performance
- Evaluating and developing business plans
- Negotiating with creditors and shareholders
- Liquidating assets
- Developing corporate plans
- Handling crisis management
- Conducting viability analysis
- Identifying financing alternatives

LECG also provides advisory services to corporations and organizations seeking intensive growth and experiencing change.

- Strategic planning
- Developing a marketing strategy
- Competitive intelligence and analysis
- Advising on mergers, acquisitions and divestitures
- Advising on process improvement

We provide our clients with an objective and educated assessment of the financial and tax consequences of material decisions. We evaluate strategies, organizational initiatives, acquisitions, divestitures, legal actions, projects and competitor action for soundness, advisability, revenue-generating possibilities and potential for gain or loss.

We provide strategic and tactical business consulting services for organizations pursuing growth opportunities, mitigating adverse conditions, surveying the competitive landscape and determining the feasibility and advisability of alternative plans and initiatives.

LECG

Forensic and Investigative Accounting

Forensic and investigative accounting requires a combination of creativity, common sense, and experience in order to develop a case scenario. LECG experts are skilled at situation assessment and preparing for various phases of litigation.

LECG provides a unique blend of forensic and investigative capabilities. Many of our experts are certified fraud examiners and certified public accountants. A few experts are also former FBI agents. This unique mixture of abilities allows us to assist attorneys, law enforcement officials, government agencies, and internal auditors in the most complex fraud cases. As fraud examiners, our experts specialize in the identification, detection, investigation, and prevention of a wide variety of fraudulent activities.

LECG provides investigative services in highly sensitive local, national, and international investigations requiring a depth of experience in interviewing techniques, record review, evidence collection, forensic accounting, report writing, and testimony. The firm's investigative services group is focused on delivering problem-solving solutions and strategies in business and litigation environments, including corporate compliance, corporate recovery/receiverships, financial fraud, forensic accounting, due diligence, as well as risk assessment and management. LECG's investigative services include:

- Computer forensics, data/file recovery and electronic discovery
- Complex data management
- Corporate compliance and securities fraud investigations (Sarbanes-Oxley)
- Due diligence and background investigations
- Forensic accounting and financial reporting fraud investigations
- Competitive intelligence
- Asset tracing and transfer avoidance/recovery

LECG employs a diverse cadre of professionals who bring to the firm a unique combination of experience and training in software development, systems administration, litigation support, computer forensics, finance, and accounting.

LECG has been engaged on a wide range of complex matters to assist attorneys and employers with confidential and sensitive electronic discovery and forensic computer investigations. Our computer forensics capabilities include electronic discovery and validation of computer and e-mail files, as well as recovery of lost or deleted files, forensic computer examinations, e-mail tracing, company guideline violation review and related services. We also have substantial experience and resources attendant to normalization and reporting of large data sets, data extraction, data conversion and custom database development, and database management.

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Litigation Consulting

LECG provides comprehensive analysis through all phases of the litigation environment – from assistance in discovery and settlement negotiations to causation and damage determination testimony at trial. We utilize a wide array of resources to prepare and present complex analyses in a manner that is readily understood and easily interpreted.

LECG experts have presented expert testimony before federal district courts, federal bankruptcy courts, congressional subcommittees, state courts, grand juries, state tax commissions, and city and county councils and commissions.

We combine the skills and perspectives of certified public accountants, economists, information technology specialists, and others, to achieve a uniquely thorough analysis of out of pocket, lost profit, disgorgement & restitution claims in breach of contract, tort, fraud, & unfair competition claims.

With our investigative, bankruptcy, and valuation expertise, LECG experts are well qualified to assess economic damages, trace funds and assets, reconstruct accounting records, analyze business operations, offer opinions of value, conduct fraud investigations, and provide other litigation consulting services for matters such as:

- Business interruptions
- Contract disputes
- Construction litigation
- Corporate reorganization and liquidation
- Damage and lost profit computations
- Deepening insolvency
- Environmental litigation
- Intellectual property disputes
- Lender liability
- Marital dissolution
- Product liability
- Shareholder and partner disputes
- Wrongful termination

Valuation Services

LECG provides a broad range of valuation services on a spectrum from consultations to USPAP compliant comprehensive written appraisals. We have valued business interests, individual assets, and financial derivatives of companies in the manufacturing, distribution, retail, and service sectors. We advise prospective buyers, sellers and others about risk, control and marketability sizing, and value/pricing of business entities. We also value closely held

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businesses in accordance with Section 2000 of the California Corporations Code. These valuation engagements have been performed in the context of:

- Buy/sell agreements
- Corporate reorganization and liquidation
- Solvency analyses
- Commercial litigation
- Estate and income tax planning
- Financial reporting
- Litigation matters
- Marital dissolution
- Mergers and acquisitions
- Minority and marketability discounts and premiums
- Securities litigation
- Wrongful termination
- Eminent domain

Tax Consulting and Compliance Services

LECG experts are particularly adept at handling bankruptcy and insolvency issues. Our tax experts comprise one of the largest groups of CPAs in the nation primarily devoted to preparing bankruptcy-related income tax returns.

LECG experts are well versed in the application of the complicated provisions of the Internal Revenue Code, Bankruptcy Code and case law and are able to effectively apply tax-planning strategies to maximize tax benefits to an estate and its creditors. LECG experts have testified in bankruptcy and state courts on a variety of tax and bankruptcy matters.

Complex tax issues arise in many of our cases. LECG experts have the experience and knowledge to handle tax issues relating to:

- Complex multi-state and consolidated corporate returns
- Employee benefit plans
- Federal and multi-state payroll tax
- Federal and state tax disputes
- Individual, partnership, and corporate income tax
- Property tax
- Sales and excise tax
- Tax projections and planning

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Stacy Elledge Chiang, CPA, CIRA, CFF, Director

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SUMMARY

Stacy Elledge Chiang, a director in LECG's San Diego office, provides financial analysis and consulting services primarily in the firm's insolvency and reorganization practice. Ms. Elledge's experience with receivership, chapter 11 and chapter 7 cases includes review and analysis of the Debtor's financial condition, investigation of claims and potential avoidable transfers, solvency analyses, forensic accounting and asset tracings, preparation of monthly operating reports, and analyses of reorganization and liquidation plans. Utilizing her skills and experience as a forensic accountant, Ms. Elledge serves various parties, including trustees, receivers, debtors, and creditors in cases throughout southern California. Additionally, Ms. Elledge assists in the firm's litigation consulting practice and has also provided auditing and accounting services for clients in various industries.

Ms. Elledge's industry experience includes manufacturing, high technology, investment and financial services, real estate, and small business.

PROFESSIONAL EXPERIENCE

2006 to present	LECG Director
1995 to 2006	Mack Barclay Inc. Shareholder (2003)
1993 to 1995	Arthur Andersen LLP Experienced Staff Analyst

EDUCATION

University of Illinois, Urbana-Champaign; Bachelor of Science (Highest Honors), Accountancy, 1993

LICENSES AND CERTIFICATIONS

Certified Public Accountant (California and Illinois)
Certified Insolvency and Restructuring Advisor
Certified in Financial Forensics

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PROFESSIONAL MEMBERSHIPS

American Institute of Certified Public Accountants
Association of Certified Fraud Examiners (Associate Member)
Association of Insolvency and Restructuring Advisors
California Bankruptcy Forum
INSOL International
San Diego Bankruptcy Forum (Treasurer, 1999 – 2001)
San Diego County Bar Association (Associate Member)
International Women's Insolvency & Restructuring Confederation
(San Diego Network, Member of Board of Directors, 2008 – Present)

AWARDS

Zolfo, Cooper Gold Medal Award Recipient, AIRA, 1999

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Christina W. Dougherty, MBA, CIRA, Senior Managing Consultant

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San Diego, California 92101
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Email: cdougherty@lecg.com

SUMMARY

Ms. Dougherty is a senior managing consultant in LECG's San Diego office, and provides financial analysis and consulting services in the firm's insolvency and reorganization practice. Ms. Dougherty's experience includes both chapter 11 and chapter 7 cases in which the firm has been retained to provide services to trustees, receivers, creditors and debtors. Ms. Dougherty's experience and responsibilities include document review/analysis, claims analysis and claims data management, investigation of potential avoidable transfers, solvency analyses, forensic accounting and asset tracings, oversight and preparation of monthly operating reports, financial modeling and overall case management/administration. Ms. Dougherty is also a paralegal and utilizes her legal education and experience in connection with preparation and analysis of case pleadings. Additionally, Ms. Dougherty provides services in the firm's business advisory services practice area.

PROFESSIONAL EXPERIENCE

2006 to Present	LECG Managing Consultant
1996 to 2006	Mack Barclay Inc. Director
1994 to 1995	Katz, Greenberger & Norton Paralegal

EDUCATION

Masters in Business Administration, California State University, San Marcos
Paralegal Certificate, University of San Diego
Bachelor of Arts, English, University of Colorado, Boulder

LICENSES AND CERTIFICATIONS

Certified Insolvency and Restructuring Advisor, AIRA

PROFESSIONAL MEMBERSHIPS

Association of Insolvency and Restructuring Advisors
California Bankruptcy Forum
San Diego Bankruptcy Forum
International Women's Insolvency & Restructuring Confederation

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Leif M. Larsen, CPA, CIRA, Managing Consultant

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Summary

Leif M. Larsen, a Managing Consultant with LECG, LLC has over eleven years experience in tax return preparation. Prior to working at LECG, LLC, he was with Neilson Elggren, LLP, working as a Tax Manager. Mr. Larsen is a Certified Public Accountant and is an Enrolled Agent. Mr. Larsen is also a Certified Insolvency Restructuring Advisor. His experience also includes all areas of payroll taxes and sales & use taxes, including return preparation.

A few of the cases in which Mr. Larsen has been involved include:

- Magic Ford and Magic Lincoln – Accountants to the Trustee. Prepared corporation tax returns for both Magic Ford and Magic Lincoln. Analyzed tax issues relating to final dispositions of assets for the bankruptcy estates.
- Leslie Todd Bankruptcy Estate – Accountants to the Trustee. Prepared initial and final fiduciary tax returns for Individual bankruptcy case. Analyzed treatment of settlement proceeds received from breach of contract related to sale of debtors business to an outside party.
- Reed Slatkin – Accountants to the Trustee. Prepared individual and S Corporation tax returns and numerous information returns for pass through entities, including Partnerships, and LLCs. Analyzed the many tax issues relating to the formation of a Liquidating Trust pursuant to the plan confirmation. Also prepared Liquidating Trust returns having over three hundred beneficiaries and prepared and maintained databases to track all pertinent beneficiary information.
- Metropolitan Mortgage & Securities Co., Inc. – Accountants to the Trustee. Prepared consolidated income tax returns and prepared Liquidating Trust returns having over seven thousand beneficiaries.
- National Summit Corporation – Accountants to the Trustee. Prepared consolidated income tax returns and prepared Liquidating Trust returns having over two thousand beneficiaries.
- Michael G. Tyson – Accountants to the Debtor in Possession. Prepared individual and S Corporation tax returns. Also prepared Liquidating Trust returns having over one hundred beneficiaries and prepared and maintained databases to track all pertinent beneficiary information.
- JMS Automotive Rebuilders, Inc. – Accountants to the Trustee. Analyzed many tax documents relating to the Internal Revenue Service' audit of multiple tax years. Prepared corporate tax return.
- Webvan Group, Inc. and Subsidiaries – Accountants to the Trustee. Prepared consolidated corporate tax returns which included assets of over one billion dollars.

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Licenses & Certifications

Certified Public Accountant – Licensed in the state of California
Enrolled Agent – Internal Revenue Service
Certified Insolvency & Restructuring Advisor - Association of Insolvency and Restructuring Advisors

Education

Bachelor of Science in Accounting, University of Utah

Professional Memberships

California Society of CPAs
American Institute of Certified Public Accountants
Association of Insolvency and Restructuring Advisors
American Bankruptcy Institute

Employment History

2005 – Present	LECG, LLC Managing Consultant (2007 – Present) Consultant (2005 - 2006)
2001 – 2005	Neilson Elggren LLP Manager (2005) Experienced Senior (2002 - 2005) Senior (2000 – 2001)
1996 – 2001	Interwest Business Group, Inc. Manager (1999 - 2001) Staff Accountant (1996 – 1998)

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Vanessa Lalli, CPA, Senior Consultant

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SUMMARY

Ms. Lalli is a senior consultant in LECG's San Diego office, and provides financial analysis and consulting services in the firm's bankruptcy services practice. Ms. Lalli's experience includes both chapter 11 and chapter 7 cases in which the firm has been retained to provide services to trustees, creditors, and debtors. Additionally, Ms. Lalli assists in the firm's tax consulting practice and has provided tax preparation and consulting services for clients in various industries.

PROFESSIONAL EXPERIENCE

2006 to Present	LECG Senior Consultant
2001 to 2006	Mack Barclay Inc. Senior Analyst
2000 to 2001	Wells Fargo Bank

EDUCATION

University of California Santa Barbara, Bachelor of Arts in Business Economics, 2001

LICENSES AND CERTIFICATIONS

Certified Public Accountant (California)

PROFESSIONAL MEMBERSHIPS

California Society of Certified Public Accountants
Association of Insolvency and Restructuring Advisors

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Marjaneh M. Hernandez, Case Assistant

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Summary

Ms. Hernandez is a case assistant in LECG's San Diego office and provides research and administrative assistance in the firm's insolvency and reorganization practice. Ms. Hernandez's experience includes both chapter 11 and chapter 7 cases in which the firm has been retained to provide services to trustees, creditors, and debtors.

Professional Experience

2006 to present	LECG Case Assistant
2003 to 2006	Mack Barclay Inc. Paraprofessional
2001 to 2002	DMX Music Executive Assistant
1996 to 2001	Kingston Technology Technical Support
1992 to 1996	University of California, Irvine Student Center Supervisor

Education

University of California, Irvine, Bachelor of Arts in Film and Media Studies, 1996

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SCHEDULE OF PROFESSIONALS AND HOURLY RATES ⁽¹⁾ AS OF JANUARY 1, 2009

Professional	Position	Rate
Barclay, Christopher, MA, CPA, CIRA, ASA	Director	\$475.00
Bandemer, Mike, CPA, CMA, CITP, EnCE	Director	\$375.00
Kopelev, Sergio, CFCE, EnCE	Principal	\$350.00
Bergmark, Brian, MBA, CPA, ABV, ASA	Director	\$325.00
Elledge Chiang, Stacy, CPA, CIRA	Director	\$325.00
Dougherty, Christina, MBA, CIRA	Senior Managing Consultant	\$300.00
Taylor, Kevin, MBA	Senior Managing Consultant	\$285.00
Larsen, Leif, CPA, CIRA	Managing Consultant	\$300.00
Brown, Geoff, MCSE, CCNA, EnCE	Managing Consultant	\$285.00
Schenk, Steve, MBA, CIRA	Senior Managing Consultant	\$275.00
Potter, John, CPA, ABV, AM	Senior Managing Consultant	\$275.00
Delgado, Darielle, EnCE	Senior Consultant	\$275.00
Fennell, Craig, MBA	Senior Consultant	\$260.00
Lalli, Vanessa, CPA	Senior Consultant	\$245.00
Holland-Poscillico, Hillary	Senior Consultant	\$235.00
Cunanan, Mary Lou	Senior Associate	\$195.00
Jackson, Jacqueline	Case Assistant	\$180.00
Linthicum, William C.	Case Assistant	\$100.00
Hernandez, Marjaneh	Case Assistant	\$ 90.00

⁽¹⁾ Hourly rates reflected above apply to professional staff in San Diego and Costa Mesa, California. LECG expects to staff this engagement with professionals from these offices. Such hourly rates may be adjusted periodically based on increases in rates to all LECG clients.

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SCHEDULE OF HOURLY RATES ⁽¹⁾ AS OF JANUARY 1, 2009

Principal & Director	\$285 - \$475
Senior Professional Staff	\$235 - \$300
Associate & Senior Associate	\$160 - \$235
Research Analyst	\$110 - \$135
Case Assistant	\$ 75 - \$180

SCHEDULE OF OUT-OF-POCKET COSTS

Copies	\$ 0.10 per page (or actual cost for services outsourced)
Facsimiles	\$ 0.30 per page for outgoing transmissions (no charge for incoming transmissions)
Postage	Actual
Messenger	Actual
Parking	Actual
Mileage	\$ 0.55 per mile

⁽¹⁾ Hourly rates reflected above apply to professional staff in San Diego and Costa Mesa, California. LECG expects to staff this engagement with professionals from these offices. Such hourly rates may be adjusted periodically based on increases in rates to all LECG clients.